



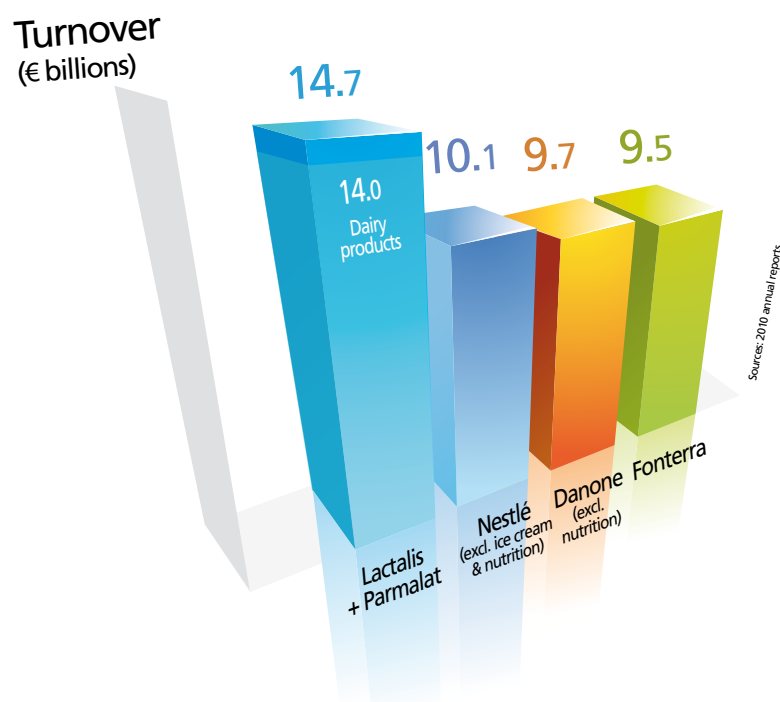
Press kit

July 2011

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With the acquisition of Parmalat, the Lactalis Group has become the world leader in dairy products, with a presence on every continent, and strong positions across the full range of categories, opening unprecedented opportunities for development.



1.

Lactalis & Parmalat: perfect complementarity

The acquisition of a majority stake in Parmalat heralds the emergence of a “new Lactalis Group”. With turnover up from more than €10 billion to almost 15 billion, and 14,000 additional employees, the Lactalis Group is now the world leader in dairy products, with a more international presence than ever.

Lactalis & Parmalat

€15 billion in turnover

N°1 1 in dairy products worldwide

15th -largest agri-food Group worldwide

14 billion litres of milk collected

198 production sites

52,000 employees

The Group, which, prior to the acquisition, had an industrial presence in 23 countries – mainly in Europe, but also in the CIS, the Middle East and the United States – is fully complementary with Parmalat, which has 68 production sites in 16 countries, most notably in Italy, Canada, South America, South Africa and Australia. The new Group therefore encompasses numerous markets from which Lactalis and Parmalat have, respectively, been absent.

In line with what the Lactalis Group has always stated, Parmalat remains an independent entity with its own legal structure and stock-market listing. Parmalat will continue its development in the many markets where it already has enviable positions. It will also benefit from synergies with Lactalis’s international presence, which will help it extend its business.

The Lactalis Group will remain focused on its milk processing business, maintaining its multi-product strategy. With Parmalat, it will strengthen its positions in liquid milk, cheese and chilled dairy markets.

This external growth transaction represents a real challenge for the Lactalis Group and Parmalat.

2.

Lactalis - comprehensive dairy expertise

In a sector where most players try to impose a global model, and limit themselves to a narrow sector of activity, Lactalis stands out thanks to its ambitious, innovative strategy based on a commitment to large-scale milk processing in all its forms.

That is the key principle of the Group, which has built up considerable expertise over the years, processing milk in accordance with local dairy traditions. Lactalis makes its camembert in Normandie, its mozzarella in Italy and its Twarog in Eastern Europe - all of which makes for an incredibly diverse product portfolio that includes liquid milk and a vast range of cheeses, as well as butter, cream, yogurt and even industrial products.

Launched in 1933, the Group's camembert was its founding product, and remains the cornerstone of the flagship Président brand to this day. Cheese making is still the company's key expertise, with a carefully balanced mix of high-consumption products and terroir cheeses. A little more than 75 years after its creation, Lactalis is proud to be the world leader in cheeses. Alongside old reliables such as mozzarella, emmental and processed cheeses, the Group has built up a unique range of specialities. Lactalis is the world's leading manufacturer of AOC cheeses, and a foremost specialist in raw-milk cheeses, of which it produces half of the total French output. While some might see this approach as something as a paradox, Lactalis views it simply as its way of working in synergy with the soil where it has its roots.

The arrival of Parmalat fits perfectly into this broad-ranging strategy, actually

enhancing the overall balance of the product portfolio, most notably in respect of liquid milk and chilled dairy products.

Long seen essentially as a product for the French market, liquid milk has now become the Group's second-largest activity. Following the acquisition of Puleva in Spain (2010) and Parmalat (2011), it is now set to become even more significant, while fully complementing Lactel's input to the Group.

The chilled dairy products business has also been strengthened, enabling Lactalis to become a leading player even outside of the European market.

Over and above its product portfolio, it is Parmalat's international presence that will enable Lactalis to roll out its complete range of activities across the five continents and to take full advantage of the new synergies created.

Product quality, complementary product offerings and strong brand culture are set to be the pillars on which Président, Galbani and Parmalat will base their transversal development, complementing local brands and developing optimal market coverage for the Group's extensive new range.

3.

France and Italy, the Group's powerhouse countries

Since 2006, Italy had been the Group's second-largest market in terms of turnover, volume, production sites and workforce, and Lactalis's turnover there actually exceeded that of domestic player Parmalat. Italy's contribution to the Group's business is up, and now stands at almost 18%, compared with France's 26%.

Lactalis in Italy

Turnover of

€1,4 billion

8 production sites

3,300 employees

Parmalat in Italy

Turnover of

€1 billion

78% of turnover
generated from liquid milk

12 production sites

2,130 employees

The Group's Italian identity is therefore stronger than ever, which is hardly surprising, since Lactalis has always been attentive to what is often termed "the other cheese country".

The Lactalis Group has been established in Italy since 1988, when it created a sales subsidiary. It acquired its first Italian manufacturing plant in 1997, with the takeover of Locatelli.

In 2003, Invernizzi joined the Group, followed by Cademartori in 2004 and Galbani in 2006. Also in 2006, the Group's business in Italy diversified, thanks to the joint venture with Nestlé for chilled products, which made Italy the Lactalis Group's second-largest market in terms of turnover, volume and workforce.

Lactalis is the undisputed leader in the Italian cheese market, with a 26% market share in volume terms, and has been active in the defence of its three AOC cheeses – Taleggio, Gorgonzola and Quartirolo.

In Italy, the Lactalis Group is present in six different markets (cheese, cured meats, butter, chilled dairy, industrial products and nutrition), with six key brands - Galbani, Vasselata, Invernizzi, Locatelli, Cademartori and Président, as well as Fruttolo, LC1 and Sveltesse, together representing more than 400 references.

Thanks to the Lactalis Group, Galbani – which is the world's leading Italian cheese brand – has more than doubled its international presence, and is now distributed in over 100 countries.

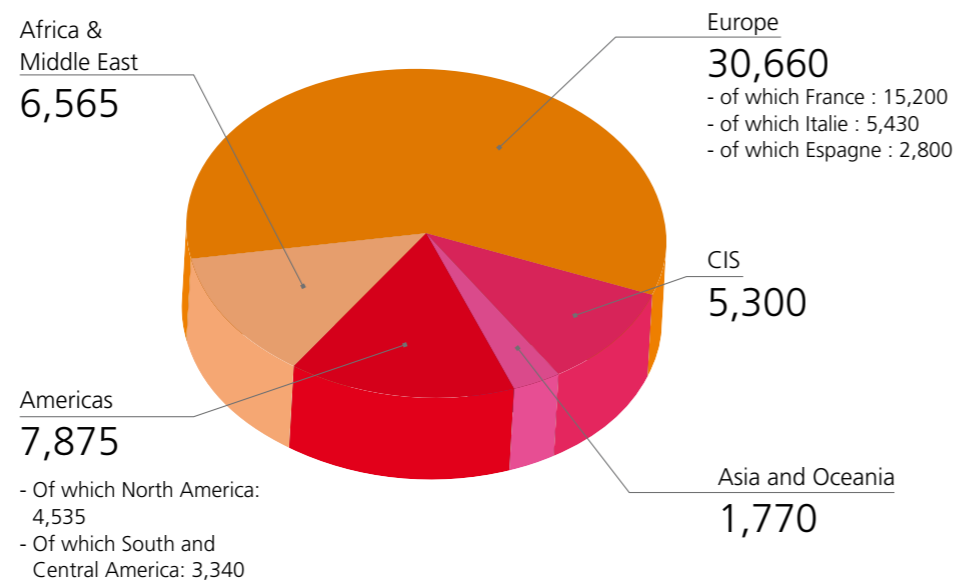
In 2010, Lactalis – which processes almost a billion litres of milk annually – generated turnover of €1.4 billion in Italy, up 4.5% on the previous year.

4.

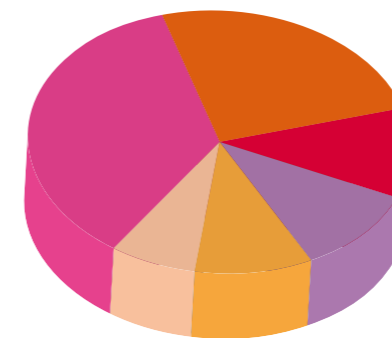
Lactalis in brief

52,170
employees

Employees in 56 countries



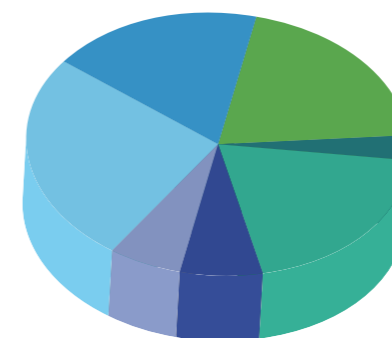
A Group driven by a unique growth model encompassing the full range of dairy businesses



Turnover by category (€ billions)

Cheese:	36%
Liquid milk:	25%
Chilled products:	11%
Butter and cream:	11%
Nutrition and ingredients: ...	10%
Other:	7%

A global Group with numerous opportunities for growth on every continent



Turnover by zone

France:	26%
Italy:	18%
Europe (others):	20%
CIS:	3%
Americas:	20%
Africa / Middle East:	7%
Asia / Oceania:	6%

Around 200 production sites in 35 countries

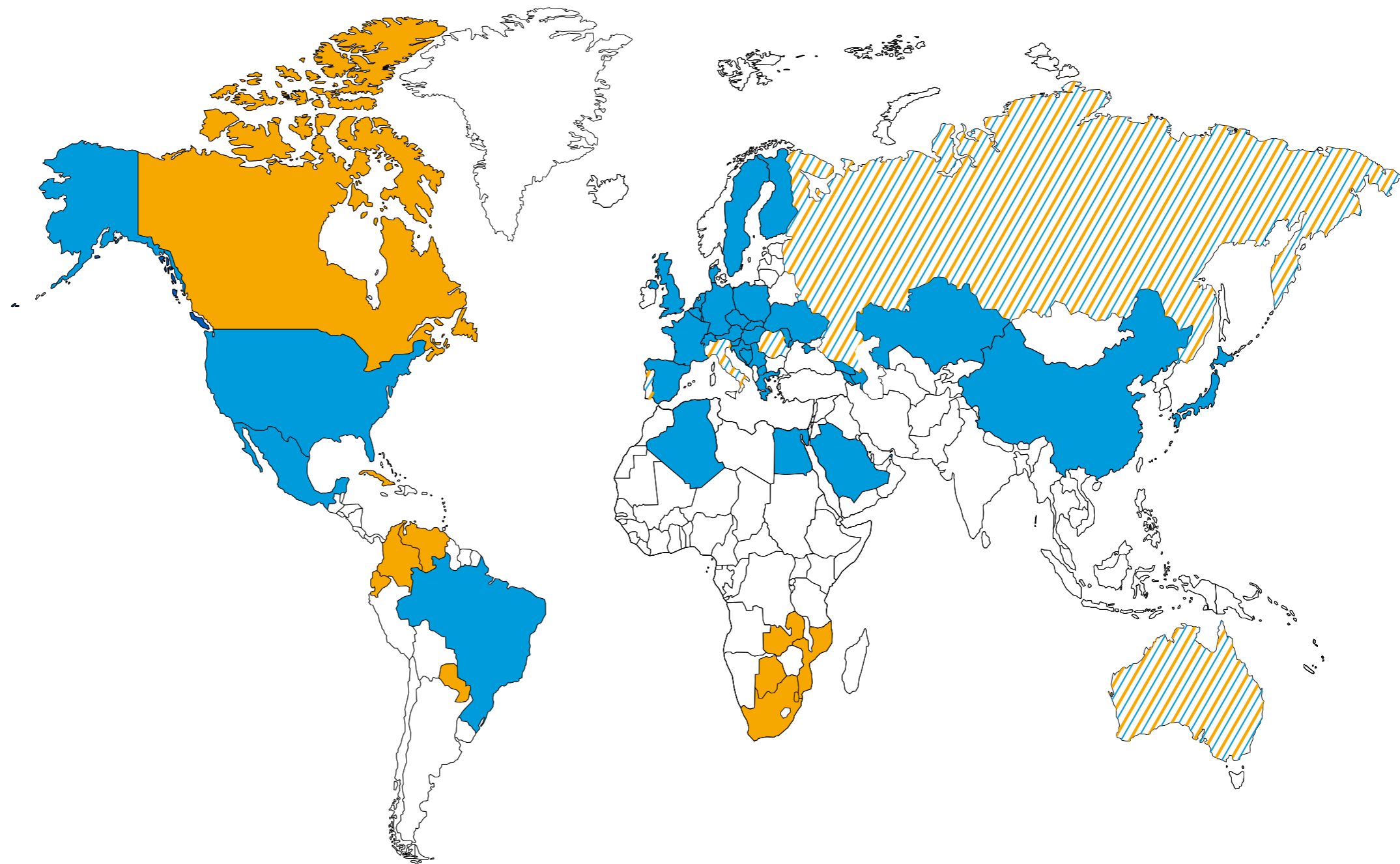
Subsidiaries in 55 countries



- *130 sites
in 23 countries,
21 sales
subsidiaries*



- *68 sites
in 16 countries*



5.

A family saga: three generations of entrepreneurs

The Lactalis Group has a brand presence in 145 countries, and an industrial presence in 35 countries. With expertise across the full range of dairy categories, the group owes its dynamism and commitment to its roots in the town of Laval, where it came into being in 1933. The town has seen the company grow for over 75 years, and is still home to its head office.

1933

André Besnier founds his cheese-making company and produces his first handmade camemberts.

Thanks to its founder's business acumen and determination, the company was soon a success.

When André Besnier passed away in 1955, his son Michel took over the helm of Société Laitière A. Besnier & Cie, and diversified into casein, pasteurised milk and yogurt. Michel soon saw that this diversification would be the key to the company's success. The strategy would also form the basis for an intensive external growth policy.

1968

Michel Besnier launches Président camembert, and drives the Group's innovation policy.

Aware that external growth alone would not enable his company to

develop its business outside France, Michel Besnier launched the Président brand and produced the first camembert made from pasteurised milk. Although frowned upon at the time, pasteurisation is now the treatment of reference, and enables the greatest possible number of people to enjoy the pleasures of cheese.

The Président brand quickly went from strength to strength, offering a comprehensive range of dairy products and breaking into markets outside of France. It has become synonymous with quality, sharing and pleasure, and is now available in 145 countries.

1970-1980

Rapid growth in France.

After pasteurisation, the company forged ahead with other innovations, including a new industrial process for the dairy sector - continuous coagulation. In 1976, the Domfront cheese plant - which now produces 225,000 Président camemberts daily - was equipped with a continuous coagulator taking in pasteurised milk at one end, adding rennet to cause

curdling, and producing cheese ready for transfer to moulds at the other end.

In 1985, Société Laitière Besnier diversified further by opening an emmental plant in the village of Charchigné, near Laval, and unveiling the Lactel brand for its chilled dairy products range.

In addition to these organic developments, the decade saw the start of the intensive external growth policy that has continued to the present day and brought many French cheese companies into the Besnier fold. For the dairy sector, it was the beginning of a long period of restructuring which would benefit dynamic, innovative companies that had anticipated the economic conditions.

In 1981, the Group commenced activities in the United States, with a plant in Belmont, Wisconsin.

The 1990s:

Prestigious brands and international development.

The year 1990 saw the takeover of the Bridel Group and its subsidiary Lanquetot. Besnier was now collecting 1.2 billion litres of milk, and had ten production sites in France and a cheese-making facility in the United States.

In 1992, the Group acquired Nestlé's Société des Caves along with its US subsidiary Sorrento, in a transaction that consolidated its presence in the United States and brought such reputable cheese brands as Société, Salakis and Sorrento into the fold.

By the end of the 1990s, the Group had sites across Europe – notably in Poland and Ukraine – and had built up a strong presence in the US.

In 1999, to reflect its international growth, the Group changed its name to «Lactalis Group», which is more easily pronounced worldwide.

The 2000s:

Emmanuel Besnier accelerates the Group's international growth, expanding eastwards.

In 2000, Emmanuel Besnier replaced his father at the head of the Group. The ensuing decade would see an acceleration in external growth, particularly outside France, with the Group building up its presence in Russia, Kazakhstan, Ukraine, Poland, the Czech Republic and Moldova, as well as in the Middle East, with Egypt and Saudi Arabia.

As well as expanding geographically, Lactalis Group further diversified its activities, notably through the acquisition of Cema – which brought it the Primevère brand with its range of “healthy” spreadable fats (dairy &

non dairy) – and that of Celia in France, which gave Lactalis a foothold in the infant nutrition market, with the Picot brand.

In 2005 the creation of a joint venture with Nestlé further drove the Group's growth, making it a major challenger in the yogurts and desserts market, with such recognised brands as La Laitière, Sveltesse and Yoco. This joint venture energised the brands concerned, bringing a new dimension to their European development strategies.

The acquisition, in early 2006, of Galbani – cheese market leader in Italy and number one for Italian-style cheeses in Europe – made Lactalis the second-largest player in the world cheese market. The Lactalis Group was now number one in France, as well as in Italy, which had become its second-largest market in terms of turnover and volume. Backed by the Group's international presence, the Galbani range was gradually rolled out worldwide, increasing its market exposure from 40 to more than 100 countries.

2010 and beyond:

Uniquely positioned as a global dairy specialist.

In a little over 75 years, the Lactalis Group has become the world leader in dairy products. It has consolidated its positions in Italy, where its importance as an economic player is now greater than ever, and is pursuing its development on every continent, based on high-profile international brands and on national brands that reflect local dairy consumption and traditions.

The Lactalis Group, which is still a 100% family-owned company, remains committed to the business of milk processing in all its forms.

The Group's dynamism and capacity for technological and marketing innovation, coupled with its extensive expertise, strong quality focus and entrepreneurial drive, have enabled it to build up strong positions across the dairy sector, from cheeses, liquid milk, creamery and chilled dairy products (with strong positioning in dairy desserts) to child nutrition, clinical nutrition and dairy ingredients.



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GR O U P E
LACTALIS